## Message Text

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SUBJ DEFENCE MINISTER RICHARDSON GIVES SPEECH ON
CANADIAN DEFENSE

1. SUMMARY: CANADIAN DEFENCE MINISTER RICHARDSON IN JANUARY 17 SPEECH ANNOUNCED PUBLICLY CABINET DECISION TO INCREASE DEFENCE BUDGET IN CURRENT AND NEXT FISCAL YEAR, CONFIRMED FOUR MAIN ROLES OF CANADIAN FORCES, REVIEWED CAPITAL SPENDING PROGRAM, AND ANNOUNCED VARIOUS ADJUSTMENTS AND CHANGES TO BE MADE IN ORGANIZATION OF NATIONAL DEFENCE STRUCTURE, INCLUDING CREATION OF A NEW AIR COMMAND AND STRENGTHENING OF RESERVE FORCES. END SUMMARY.

2. ON JANUARY 17 CANADIAN DEFENCE MINISTER JAMES RICHARDSON IN ADDRESS TO 38TH ANNUAL CONFERENCE OF DEFENCE ASSOCIATIONS MADE FIRST PUBLIC STATEMENT REGARDING CHANGES IN CANADIAN DEFENCE PROGRAM. FIRST POINT MADE BY RICHARDSON WAS THAT "CABINET HAS AGREED TO SUBSTANTIALLY INCREASE DEFENCE BUDGET IN THE CURRENT YEAR AND IN THE NEXT FISCAL YEAR." ACCORDING TO RICHARDSON, IN FY74-75 "THE DEFENCE DEPARTMENT WILL SPEND APPROXIMATELY \$2.5 BILLION.
THIS IS MORE THAN \$275 MILLION ABOVE THE APPROPRIATION FOR THE PREVIOUS FISCAL YEAR. FOR NEXT YEAR, 1975-76, LIMITED OFFICIAL USE

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THE GOVERNMENT WILL AGAIN INCREASE DEFENCE APPROPRIATIONS

BY ALMOST 300 MILLION DOLLARS. THIS INCREASE IN THE DEFENCE BUDGET IS LARGER, BY ITSELF, THAN THE WHOLE BUDGET OF MANY FEDERAL DEPARTMENTS. IT AMOUNTS TO ABOUT A 12 PERCENT INCREASE AND IT PICKS UP ALMOST ALL ANTICIPATED INFLATION. THE ESTIMATES THAT WE WILL BE SUBMITTING TO PARLIAMENT SHORTLY WILL INDICATE A RECORD PEACETIME DEFENCE BUDGET OF SOME 2,800 MILLION DOLLARS.

"THIS SUBSTANTIAL INCREASE IN THE NATIONAL DEFENCE BUDGET MEANS THAT WE WILL BE ABLE TO MAINTAIN THE FORCE AT APPROXIMATELY ITS PRESENT STRENGTH. IT WILL ALSO PERMIT THE OPERATIONAL AND TRAINING ACTIVITIES OF THE FORCES, WHICH HAD TO BE REDUCED BECAUSE OF BUDGETARY PRESSURES, TO RETURN TO SATISFACTORY LEVELS; AND WILL ENABLE US TO MAINTAIN ALL OF OUR NATIONAL AND INTERNATIONAL MILITARY COMMITMENTS."

- 3. SECONDLY, MINISTER RICHARDSON RECONFIRMS THAT CANADIAN FORCES WILL CONTINUE WITH FOUR MAIN ROLES ASSIGNED TOTHEM, I.E., DEFENCE OF CANADIAN SOVEREIGNTY, NORTH AMERICAN DEFENCE, NATO, AND PEACE-KEEPING DUTIES.
- 4. TURNING TO CAPITAL PROGRAMS, RICHARDSON STATES THAT IN "COMING FISCAL YEAR WE WILL INCREASE SPENDING ... BY ABOUT 30 PERCENT OVER THIS YEAR'S LEVEL."

  SOME OF CAPITAL SPENDING, HOWEVER, INCLUDES PROGRAMS ALREADY ANNOUNCED, SUCH AS LONG-RANGE PATROL AIRCRAFT, MODERNIZATION OF COMMUNICATIONS, PURCHASE OF FIVE C-130 AIRCRAFT, PURCHASE OF "BLOW-PIPE" MISSILE SYSTEM, AND OF TOW ANTI-TANK MISSILE SYSTEM AND IMPROVEMENT OF MARITIME COMMAND HELICOPTERS. NEW 3/4-TON VEHICLES AND OTHER VEHICLES WILL BE PURCHASED.
- 5. TURNING TO PROBLEM OF PERSONNEL, RICHARDSON INDICATES ADJUSTMENTS WILL BE MADE BY ELIMINATING UNFILLED POSITIONS AND RELOCATING OR RETRAINING PERSONNEL "TO RESTORE A WORKABLE BALANCE". ADDITIONALLY, OVER NEXT SIX MONTHS CANADA WILL BE REDUCING CYPRUS LIMITED OFFICIAL USE

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FORCES TO LEVEL OF A YEAR AGO.

6. REGARDING OTHER ADJUSTMENTS, RICHARDSON REPORTS THA THE CF-101 SQUADRON AT VAL D'OR WILL RETURN TO BAGOTVILLE, THAT THE RADAR STATION AT MOOSONEE, ONTARIO, WILL BE CLOSED, THAT CF-101 AIRCRAFT IN OPERATION WILL BE REDUCED FROM 56 TO 44, THE NUMBER OF ARGUS FROM 32 TO 26, AND THE NUMBER OF CF-5'S FROM 27 TO 20.

THE FLEET OF FALCON JET TRANSPORT AIRCRAFT WILL BE RETIRED AND THAT A NEW "AIR COMMAND" WILL BE ESTABLISHED SO THAT "ONCE AGAIN THE CANADIAN ARMED FORCES WILL HAVE THREE DISTINCT COMMANDS.-THE SEA, THE LAND AND THE AIR." EACH COMMAND WILL BE LED BY AN OFFICER OF 3-STAR RANK.

7 RICHARDSON'S LAST COMMENTS FOCUS ON THE MILITIA AND THE RESERVES, REPORTING THAT "THE DOWNWARD TREND... HAS BEEN REVERSED AND STRENGTH NOW INCREASING," AND GOES ON TO CITE EQUIPMENT, SUPPLY, AND PERSONNEL ACTIONS TAKEN FOR THIS STEP.

8. COMMENT: ONE CANADIAN OFFICIAL CHARACTERIZED THE SPEECH TO EMBOFF AS "POLITICALLY UPBEAT BUT MILITARILY DOWNBEAT." IT IS TRUE THAT RICHARDSON'S SPEECH IS COUCHED IN POSITIVE PHRASES AND OPTIMISTIC VIEW THAT CHANGES WILL STRENGTHEN CANADIAN FORCES, BUT IN FACT ADDRESS DOES REFLECT WEAKENED POSITION OF CANADIAN MILITARY AND MAKES NO SPECIFIC MENTION OF IMPORTANT TOPICS SUCH AS CANADIAN TANK CORPS AND MARITIME VESSELS WHICH NEED TO BE REPLACED OR MODERNIZED. HIS SILENCE WOULD SEEM TO INDICATE THAT THESE VERY EXPENSIVE PROJECTS WILL AGAIN BE PUT LOW UPON THE PRIORITY LIST AND, IN FACT, CONSERVATIVE PARTY DEFENCE CRITIC HAS ALREADY CHARGED PUBLICLY THAT RICHARDSON'S SPEECH REFLECTS CONTINUING DISINTEREST IN MILITARY ESTABLISHMENT BY TRUDEAU GOVERNMENT. FULL TEXT WILL BE POUCHED TO EUR/CAN. PORTER

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